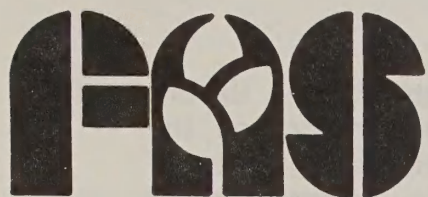


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REPORT

United States
Department of
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Foreign
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Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 35-82

WASHINGTON, September 1--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

SOUTH AFRICA is expected to produce a record wheat crop this year, 6 percent above last year's level of 2.2 million tons, according to the U.S. agricultural counselor in Pretoria. This large crop is due to a 10-percent increase in sown area and favorable weather conditions. After last year's poor corn harvest, producers put more area into winter wheat resulting in a record area sown.

Production at or above last season's level will likely eliminate the need for imported wheat. In the past, South Africa has imported U.S. wheat to supplement crop shortfalls, such as in October-September 1980/81, when a disappointing wheat outturn of about 1.5 million tons necessitated 285,000 tons of imported U.S. wheat. Despite a good crop in 1981/82, South Africa still required approximately 100,000 tons of U.S. wheat to maintain sufficient carry-over stocks. However, with current favorable crop prospects indicating the possibility of two good wheat production years in a row, there would be no need to import any wheat. In fact, an oversupply situation could result and South Africa may seek to export surplus wheat to surrounding areas. South Africa was a net wheat exporter during 1973/74-1979/80, with exports averaging almost 200,000 tons per year.

BRAZIL is forecast to export about 500,000 tons of corn in the April-March 1982/83 season, and export levels could increase depending on new crop plantings. Brazil has not been a regular exporter of corn since 1977/78, when 1.3 million tons were shipped. At that time, Spain was Brazil's largest corn market, importing approximately half of total Brazilian corn exports. Total sales this season already have reached 390,000 tons, including 190,000 tons sold last week. Spain is the likely destination for the bulk of the exports. The price of recent sales reportedly ranged between 14,700-15,450 cruzeiros per ton (about \$78-\$82). At \$20-\$25 below recent U.S. No. 3 f.o.b. Gulf prices, the Brazilian corn either likely equates to about U.S. No. 4-No. 5 yellow corn quality or is being subsidized.

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SOUTH AFRICA has arranged a barter deal with the Soviet Union and not with Romania as earlier surmised, according to a recent report on the South African corn industry sponsored by the South African Association of Chambers of Commerce. The South Africans have declined to comment on this recent report, but have confirmed that a barter arrangement calling for an exchange of 1 ton of corn for 1.04 tons of urea to an undisclosed destination has taken place. The first consignment of 208,000 tons of urea, exchanged for 200,000 tons of corn, has already been off-loaded.

DAIRY AND POULTRY

In the UNITED KINGDOM, a new schedule of milk compensation payments will take effect beginning in January 1984, according to the U.S. agricultural counselor in London. This new payment schedule places considerably more emphasis on the protein content rather than the fat content of milk. In response to that change, the Milk Marketing Board is attempting to inform producers of the feeding practices that tend to maximize the protein content of milk. The fall and winter feeding season is the most crucial, since too much roughage tends to reduce protein production.

Poultry production in FRANCE is expected to increase by 9 percent in 1982, according to the U.S. agricultural counselor in Paris. The increase, which is principally attributed to an anticipated 10-percent expansion in broiler production, is expected to be absorbed by third-country markets, particularly in the Middle East. Total poultry meat production is forecast to be up only 3 percent in 1983.

COTTON

The EUROPEAN COMMUNITY has suspended importation of 100 percent cotton and cotton-synthetic blend textile products from TURKEY until Oct. 15. The decision represents a serious blow to Turkish textile exporters who have asked the government to intercede on their behalf.

This recent restriction, coupled with Turkey's tight domestic monetary policy that has dampened domestic demand, has placed the industry in a difficult position. Consequently, domestic demand for raw cotton has declined. In contrast, cotton exports have revived, despite a high export fund rate in Turkey. Should the situation continue, it appears Turkey's domestic utilization of cotton may be restricted while raw cotton exports increase.

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FRUITS

In the IVORY COAST, excessive rainfall earlier in the season damaged about 80 percent of the banana crop in the Dabou region. A loss of approximately 20,000 tons out of a total projected crop of 140,000 tons is expected.

VEGETABLES

In TAIWAN, 1982/83 fresh mushroom production is forecast at 52,000 tons, according to the U.S. agricultural officer in Taipei. This is up slightly from the previous year's level and the first increase since 1977/78. The 1982/83 planted area of 502 hectares is up nearly 2 percent.

RECENT FOREIGN AGRICULTURE CIRCULARS

U.S. Seed Exports for the July-June Marketing Year and
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World Oilseed Situation and U.S. Export Opportunities, FOP 10-82
World Cotton Situation, FC 9-82
Status of U.S. Sugar Import Quotas, 13-82
World Tobacco Situation, FT 8-82
U.S. Meat and Dairy Imports for May and June 1982, FDL-MT 7-82
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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	August 31, 1982	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-13.5%.....	195.50	5.32	-0-
U.S. No. 2 DNS/NS: 14%.....	172.00	4.68	-0-
U.S. No. 2 DHW/HW: 13.5%..... 1/	1/	1/	1/
U.S. No. 2 S.R.W.....	143.00	3.89	-.03
U.S. No. 3 H.A.D.....	161.50	4.40	-.04
Canadian No. 1 A: Durum.....	181.00	4.93	-0-
Feed grains:			
U.S. No. 3 Yellow Corn.....	112.50	2.86	+.03
U.S. No. 2 Sorghum 2/..... 1/	1/	1/	1/
Feed Barley 3/..... 1/	1/	1/	1/
Soybeans:			
U.S. No. 2 Yellow.....	230.00	6.26	-.11
Brazil 47/48% Soya Pellets 4/.....	205.00	--	-0- 5/
U.S. 44% Soybean Meal (MT)....	200.00	--	-5.00 5/
EC Import Levies			
Wheat 6/.....	103.76	2.82	-.18
Barley.....	102.14	2.22	-.08
Corn.....	99.03	2.52	-.20
Sorghum.....	97.62	2.48	-.12

1/ Not available. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Dollars per metric ton. 6/ Durum has a special levy.

Note: Basis September delivery.